

Interviewer's introductory remark:

(The record of this interview is intended to elucidate the nature and significance of Hungarian data of economic performance. The problem on hand can be defined in terms of the following alternatives: official plan fulfilment data are either deliberately false, or not. If they are, the regime is gaining a dubious propaganda advantage at the expense of rendering the task of its own numerous economic planning and administrative organs more intractable than it already is, because the latter are thus deprived of reliable data, - unless there exists a double set of statistics, one (false) for public consumption and one (true) for internal use. In the latter case, as the number of organs requiring economic information is large, the discrepancies would be bound to leak, yet no evidence of consistent and comprehensive discrepancies (such as would be implied by a double set of data) appears to have come to light. On the other hand, if economic statistics are not deliberately and centrally falsified, then they are either true (this assumption is contradicted by the evidence of shortages, relative stagnation in both the investment and the consumption sector, etc.), or are falsified without the consent or connivance of the central authorities. In the latter case, the problem of suppressing "plan fraud" would seem

to be merely one of auditing, and, on the face of it, the scope for overstating economic performance data would be confined to that provided by the laxity of the accounting system and the incompetence of the State auditors. However, signs of Hungary's general economic weakness suggest that the discrepancies between nominal and actual production performance and plan fulfillment are larger than could be accounted for by the latter factor.

The following interview reveals that there is, in fact, scope for overstating data in a way hitherto not generally known. In essence, the way in question is opened by the distinction made between output measured by the (notionally) "used-up labour" and value-product measured by price. Inasmuch as the central authority will countenance a divergence between the two measures, it becomes practicable to overstate the quantity of "used-up labour" because the statement is not necessarily tested by the market price of the resulting product, or more precisely because the test is not regarded by the authorities as a relevant one.))

Plan Fraud.

There are two main species of plan fraud. (1) As to the first, this usually takes the form of declaring a product as finished while it is still only semi-finished. In other words, a production process is reported to have been completed although there is still work to be devoted to it. In this case, the book figures of output run ahead of real output. It is really a bringing forward (in time) of the product; at the end of Period 1, you report to have produced 100 although you have only produced, say, 94; you still have to do 6 to catch up with your books.

The way this works is broadly as follows. The output index in which your plan target is expressed is usually constructed on the basis of finished product completed during the period  $\pm$  change in the stock of semi-finished product + services rendered to other firms. Variations in the composition of this index are possible at the Ministry's discretion, e.g. if there is a large increase in the semi-finished stock (work in progress) and a large bonus would have to be paid to the firm, the Ministry may change the index to include finished product only. However, the general picture is as described above.

Now suppose a firm reckons that it may not be able to reach 100 percent of its target in the current month

quarter or some other period. It takes steel rods destined to be carter's pins for locomotive or wagon wheels; cuts them up on the machine to pin length; and declares them to be finished pins valued at 3.80 forints each. Its output for the period is thus increased by 3.80 frt. times the number of pins it will have to finish in the next period. However, this also means that in Period 2, when it will complete the pins, it will not be able to add the work then done to the total performance of Period 2; it has already done so in Period 1. Therefore the usefulness to the firm of this type of fraud is limited to tiding over temporary troughs in performance by mortgaging, as it were, future temporary peaks. The sum total of output over, say, a year cannot, however, be overstated by this means.

(2) The second type of fraud is both more fundamental and more profitable. Suppose that the firm performs the same operation on the steel rod as described above. The labour cost of doing so is, say, 1.- frt each. Semi-finished products, however, are counted towards total output in terms of a percentage of the eventual finished product, e.g. so many per cent of a finished wheel pin. The firm arbitrarily fixes the percentage at which it carries the cut-up rod on its books; typically, it will say that each cut-up length is

equivalent to 50 percent of a pin, that is half of 3.80 frts. = 1.90 frts. Compared to the 1.- frt cost of the operation, it has overstated its production by 0.90 frts. It will carry out an enormous lot of such simple operations, overstating the labour content of each, and never dreaming of turning more than a fraction of the semis into finished products. After a while, it will be noticed that the firm is carrying a huge quantity of semis in its inventory, or the manager or chief accountant may himself point out the fact to the Directorate or Ministry, complaining about the interest cost of carrying these semi-finished stocks for which he has no use. He will explain that according to Period 1 -s plan schedules and expectations, he was obliged to produce them, but the plan was revised between Period 1 and 2, or some other change occurred, and he now wishes to be relieved of his "idle inventory" ("elfekvő készlet"). The inventory is then hawked round by the "Idle Inventories' Marketing Organisation" and eventually sold to some other firm at or under its true labour cost, at say 0.80 frts each. The firm's output "account" had been credited with 1.90 frts in the first place. It is not now debited with the shortfall between 1.90 and the sale price of 0.80. Instead, the profit-and-loss account is debited with the "loss", but generally speaking the profit-and-loss account is of no interest to anyone,

- the main bonus is tied to output.

( Interviewer's remark: note that output is a gross and not a net concept.)

The scope for plan fraud of this second and more important type varies from industry to industry. It is particularly ample in the building industry, where much of the work is, in the nature of things, concealed by and covered over with plaster or paint. The regular practice is only partly to perform the work, then cover it over and report its completion according to specifications, obtaining credit for more labour time than was in fact expended. Building firms are driven to this expedient by the tightness of their "wage fund" allocations. At the rates of pay used in calculating the total "wages fund" which they may disburse on a particular building project, they could not get decent labour; so they pay higher rates and recoup themselves by doing a less thorough job than they were supposed to; thus they can stay within their wages fund (permitted wages bill.)

Plan fraud, or what amounts to it in substance, is notoriously resorted to in coalmining. It is a widely known fact that Hungarian coals have come to contain a generous admixture of slate and plain stone. Instead of the very wide range of closely specified grades of quality obtaining before the war, the specific-

ations are much looser today, - I believe there are only three grades specified, so there is much more "play" in the system. Nevertheless, despite the looseness of the specifications, there clearly are coal shipments which quite manifestly do not reach the lower limit of their respective grades. In such a case, the buyer is either reluctant to make any claim because coal is short anyway and he does not want to spoil his relations with the seller, - or he cannot make anybody pay attention to his complaint. If he is politically influential, his claim will be heard by an arbitration tribunal, and the mine will be obliged to refund part of the price by way of a quality discount. The refund will be a charge on the mine's profit-and-loss account, but not against its output performance. It can thus overfulfil the plan by producing stone instead of coal.

#### Innovations.

The bonus payable to people proposing innovations used to be some percentage of the annual saving purported to result from the innovation in question, - the saving was deemed to have been realised once the innovation was adopted. The most preposterous innovations were being put forward and accepted. Many of these simply implied the changing of specifications to a shorter, lighter or

cheaper material, and the difference in the cost of the material was supposed to represent the saving, - no regard was had to the lesser durability, poorer quality or, in some cases, the utter uselessness of the product. However, it was difficult to resist, let alone expose to ridicule, these "innovations". If an innovator asserted that a lower-grade cement will do in a particular job just as well as the high-grade one, saving the "people's economy" so many millions, one was a political spoilsport, an anxious, timid old fogey, if not a defeatist and a saboteur, to raise doubts.



(1)

You must realise that Hungarian developments as they are seen today began in Yalta and Teheran, by the conceding by the Western powers of Hungary to the Soviet orbit. It was consciously and deliberately decided that Hungary is to proceed along lines different from, or opposite to those accepted and approved of in the Western democracies.

This also implied that the process of isolation from the West began, and was more or less completed in 1948 at the end of Rákosi's salami politics. From sparse contacts and news from letters and hearsay seeping through, Hungarian public opinion formed a highly idealised picture of the forbidden tree, the West. This opinion ascribed to the Communist regime many wrongs which were not at all due to a particular political line, or which were a ubiquitous modern development. In the economic sphere, private initiative was cut back. Nationalisation was carried out at a gallop without any transition. Many sections of the community were deeply hurt in the process and felt the insecurity of their livelihood very acutely. The peasants did, in the beginning, get the land but only the land. They were starved of capital. There was no intention in the land reform to make small holding viable. Afterwards, with the collectivisation drive, the peasants were also hurt.

The norm system hurt and offended the workers. The women were hurt, too, in that they were forced into gainful employment because of the cutting back of individual wages below a family's subsistence level. After various sections of the community <sup>had been</sup> hurt and alienated, a need for comprehensive terror emerged. The organic ties between people in society were out. Standing singly, they emotionally turned against the regime. They were depressed by the feeling of being shut up in a cage, of being isolated.

When Khrushchev released the spirit from the bottle by letting people talk, when their own sacred dogmas (Bela Kun was a traitor, Stalin a god, Rajk a gangster) were thrown over board, the process of general disintegration started rolling.

- (2) In my view to say that the Revolution started on the 23rd of October is much the same as to say that the Trojan war started when, and because, Paris eloped with Helena. A Revolution starts when the state can no longer govern as it would like to, when it loses its grip, when its organs of repression get demoralised. Why were they demoralised? Because they were under no proper discipline and had no common purpose. Here one of the boomerang effects of Communist propaganda can be noticed. It denies the role of the outstanding individual,

but invests its own <sup>leaders</sup> with omnipotence. The vanguard character of the Party is incompatible with the existence of other parties. Whilst, thus, some individuals are built up and become powerful, they cannot ~~xxxxxxx~~ simply be balanced off against each other. They cannot be rendered harmless by any peaceful means. When they are removed, they are removed with a crash. This demoralised the armed forces of the state, the police and army. These organs lose their confidence.

(a) Yes.

(b) The 20th Congress, - the freedom of "constructive" criticism and the destruction of idols, - the revelations of economic absurdities, - the process of rehabilitations (casting doubt on the immunity of the AVO), - Rajk's reburial was a mere formulisation of all that was done already.

The idea of subjecting the secret police to the laws of a state is, of course, absurd. In the capitalist state, the secret police is not subject to laws either, though there a need for a secret police in assuring and perpetuating class rule is less acute because class rule itself is less harsh. (Interviewer's remark: Respondent believes that blacklisting of workers is a widespread practise in capitalist society.)

(c) The process leading to the Revolution was not a smooth curvilinear track. There was a sharp break in it.

"Quantitative change" got transformed into "qualitative change" at the point where many people collectively noticed that many other people were getting away with criticism. This happened sometime in the first half of 1956.

(e) Writers did begin to give expression to the feelings of the little man. They made him conscious of his own feelings. It must be shattering if this is done by the regime's own writers.

(f) Obviously.

(3)

(a) It was about that time that the process of revealing the regime's own cruelty reached its climax. The climax came at Rajk's reburial. The speech held by Apro on that occasion asserted "no more", whilst Münnich went so far as to say that these people must be brought to account for their misdeeds. Public opinion was demanding Imre Nagy in place of Hegeđüs, and Kadar in place of Gerö. People were invited to make suggestions for the democratisation process. Intra-party feeling was running high, (a friend of mine told me he had to run for his life after transmitting at an active meeting an illiberal instruction of the Greater Budapest Party Committee). Upon Gerö's Belgrade trip everybody expected the appointment of Imre Nagy and

Kadar as a result of ~~an~~<sup>some</sup> agreement with (concession to) Tito. Instead, Gerö chose to oppose the tide. I was there both at the Bem statue and in Parliament Square in the afternoon. The crowd did not look as if it would start shooting at 9 p.m. the same day. But they were utterly provoked by stalling and barefaced insults. No microphone was provided for Peter Veres at the Bem statue and even the minimum courtesy and respect was denied the people in Parliament Square when they were awaiting Imre Nagy. The provocation went too far. The actual timing was a result of these cumulative accidents. The 23rd was the climax of a series of coincidental events. Had Gerö come back from Belgrade (and started provo/<sup>king</sup>) on the 22nd, the Revolution would have duly broken out on the 22nd.

- (b) The control system rested on mutual suspicion and on the central force of the AVH. It was good enough as far as it went. But when the AVH got demoralised, the sheer numbers of the opposition began to tell.
- (c) Whatever they wanted, they never thought of armed action at 2 p.m. on the 23rd. Their aim was entirely peaceful.
- (f) E.g., a transport officer of my firm. After the second Russian attack in November, he became an active "counter-revolutionary". The director of my firm opposed it right through. Another example is a young

friend of ours who did a technology course in the Soviet Union. A few days later, carried away by victory, this man became a nemzetör.

Most of those who opposed it did so because they were not out in the street. As they ventured out and saw the fights, they became converted to the Revolution.

(g) The peasants.

(h) Neutrality - free Hungary and no exploitation - out with the Russians - free elections.

(i) It was anti-Bolshevist, anti-dictatorship, and pro-democratic socialism. Insofar as it were the Communists who upheld the dictatorship, it was anti-Communist, as it wanted to stop the political monopoly of the Communist Party. But really it was anti-Stalinist and not anti-Communist.

(j) If Communism means the realisation of Marxism-Leninism by the big stick, and one is opposed to the big stick, then this may be called anti-Communism. But do not forget that emigre revolutionaries still recognise Imre Nagy as their leader.

(k) See (i) and (j).

(4) On 23rd of October I was in Parliament Square. On the 24th I visited my mother outside Budapest. I spent the evening of the 24th and the 25th with four other chaps carrying food to fighting groups across the roof

Our gate was blocked by three Russian tanks covering Boraros Square and the bridge. On the 26th and 27th, I did nothing in particular. From the 28th onwards, I was out at the firm, we started repairing the damaged houses of our work-mates and organised a workers council.

(5)

(a) Yes, Bem statue, Parliament Square.

(b) The chief accountant could not "strike". He had to pay the men, which I did. The men were busy timbering up houses threatened with collapse.

(c) See question (4).

(d) Yes, at the firm.

(e) No.

(f) I was a member of our workers' council.

(6) Not applicable.

(7) The Kilian barracks - Corvin alley group. They were ideally located and had ideal protection behind thick walls. This group was the most reckless and heroic and they held out longest. As the most devoted and the most successful fighters, they had unquestioned authority.

(a) Well, there were people of widely differing views and attitudes, Communists and non-Communists, etc. etc.

acting side by side. Of course they differed, they differed in many things, these differences were not relevant, as yet. There were no conflicts in working for what was a universally agreed primary aim.

(8)

(a)

Since the Russian Empire was at ~~the~~ stake , they must have had orders to behave quite severely. It may also be that they were uninformed or deliberately misled. This could explain their shocking behaviour. On the other hand, in my presence, a paint shop caught fire, threatening explosion. The Russian tank crews evacuated the inhabitants of the house whilst they were in active combat against one of our own fighting groups. This was a decent act on their part.

(c)

I heard that some North Koreans fought. I met one in Vienna who fled from Budapest after having fought.

(e)

I did not see any such case.

(9)

(a)

I was sceptical towards both the government and the revolutionary papers. Igazsag (The Youngsters' Paper) was the best. The first few days of press freedom were too much of a jungle to enable one to sift them and make one's judgements. Also, the revolutionary press had already begun to grind special party axes



(Small Holders, Social-Democrats,) when the vital, burning problem of the nation was as yet unsolved, because the Russians were still looming large.

(b) Word-of-mouth was the most important till about the 27th of October. After the 27th, too much of the personal exchanges were relating to petty jockey<sup>ing</sup>/for positions and new party matters.

(c) The Hungarian radio was a fairly good source, though its self-accusation ("how much we lied") was a bit nauseating. As to the Western stations, I was pleasantly disappointed. On the whole, they were more sober than I feared they might be. But later, after the defeat of the Revolt when the exodus started they created a false impression of too open arms waiting out here, - this caused disappointment to those who came later in November and December and found it difficult to get any further than the reception camps.

(10) The Party as such evaporated, though some functionaries attempted to continue to act either in defense of their own skins versus the people or trying to enlist Russian help. In isolated instances, a party organ defended itself (its premises), although this was not because they were obeying party discipline, but because they were fighting for their own sweet life. On the other hand, the ordinary police, soon to be renamed nemzet<sup>or</sup>seg

functioned all right.

(abc) See question (10).

(d) As far as I know, it run for its life. On the 27th, I saw one armed AVO unit taking up a position at an intersection, but not after that date.

(g) The government was re-forming itself all the time, the events governed it and not the other way round.

(h) For instance, in the 12th district, the council had the same deputy chairman as before. He was organising the nemzetörseg and sent repairs<sup>to teams</sup> to damaged buildings. On the other hand the chairman fled. But a district national committee has been formed by then, and it directed the apparatus of the district council.

(j) This is a silly question. It ignores the chaotic nature of the situation.

(k) The revolutionary councils, the soldiers' councils, the nemzetörseg, and the parties. There were as many organisations as there were Hungarians. The workers' councils met an old-felt demand of the employees. The democratisation process in the industrial field plainly pointed towards it or towards some equivalent form. It did not matter what it would be called and ~~in~~ what precise form it took. The accident of having a Yugoslav example determined the name and the form. The Twelve Points mention it. After the first few days of the Revolution, they were spontaneously formed here and

there. The Communist leadership of the factories was broken up and gone, and the workers took the opportunity to put in a substitute leading organ, the workers' council. In the few cases where the old organs did not make themselves hated, many Communists were elected into the council.

In my firm, the chairman of the workers' council, a former staff major in the Horthy army, was the most "constructive" member of the council. He advised us not to persecute anybody, not to worry about purges and revenge, but to get on with the job, secure the raw material stocks of the firm against looting etc.

(m) If the achievements of the Revolution had been consolidated, the next stage would have been sharp partisan fights, inter-party jealousies. The probable upshot would have been the maintenance of nationalisation, combined with a multi-party system and free economic initiative. The new Communist Party would have got a very small percentage of Parliamentary seats.

(11)

(a)

On the one hand, it involved us in a large direct loss of blood and the subsequent terror is worse than it ever was. On the other hand, the Revolt proved to the Soviet Union ~~there~~ that there are deep contradictions between the rulers and the ruled, though one can re-

press these for a while , and they will explode. In this sense, the fruits of the Revolt are the Mao-Tshe-Tung thesis, the expulsion of Molotov, the realisation of the cost of carrying the dead burden of the repressed satellite states. One day, this realisation will make the Russians seek a negotiated solution. In the last analysis therefore, the Revolt was useful.

- (b) There was some slight chance of a successful end to the Revolt in the form of a very close semi-satellite relation to Russia. Full independence would have been impossible because of the Yalta agreement. Of course, neutrality was out of the question, the Russians could not have countenanced it.
- (c) Yes, most people did expect Western military help, in desperation even Yugoslav military help. Admittedly, this was a naive dream, particularly with the Suez adventure, - the greatest Anglo-American idiocy that could possibly have been committed.
- (e) A very decent, honest man. Not a practical leader though. A theoretician, a Marxist-Leninist with an individual Hungarian slant.
- (f) Losonczy, Gabor Tanczos, Miklos Gimes (I class him as important because ~~his~~ he switched Szabad Nép over to the Revolution's side), Maleter (Király had no effect and role at all), Tildy (strange as it may sound), Attila Szigethy.

- (g) No. 1, the youth (though, at the later stage, the leadership slipped into the hands of politicians), no. 2, the intelligentsia, no. 3, the workers, no. 4, the military (the ranks only, - the officers hid), no. 5, "others", no. 6, the peasants, no. 7, the irresponsibles.
- (12) Around the 20th December.
- (a) Had I not fled, they would have caught me by then. If a chief accountant is elected to the workers' council, he cannot have been other than a counter-revolutionary. Besides, I also participated in the formation of the Social-Democratic Party.

(1)

(a) I would class myself as an economic administrator.

(2)

(a) I was first an accountant, then an auditor, then chief accountant.

(b) From February 1946 to mid-1952 I was in the Ministry of Finance and in the National Bank in various administrative positions. In mid-1952 I became chief accountant of a building industry cooperative, and subsequently chief accountant of a local council building firm in Budapest.

(d) In so far as a chief accountant of a firm is more than an administrative official in the National Bank, I was promoted, - but it is doubtful whether this can be regarded as a real promotion.

(e) It was a local council building firm, with 300 employees. My predecessor was not a trained accountant, he knew even less about accounts than I did. He lost his job in connection with a fairly large embezzlement and I had to reorganise the finances of the firm. There was very serious financial trouble, insolvency threatened, and there was no means of securing approval of our excessive level of costs and to obtain financial cover for our resulting loss. We built mainly apartment houses on behalf of the council. We were between the devil and the deep sea, as we had to build the houses according

to a time table fixed by contract, while our customer (the district council) has not, as a rule, yet secured its financial cover for the outlay and could not make progress payments. Much of my time was spent in struggling for tiding-over credits with the bank. My subordinates were all reactionaries, (ex-officers, former civil servants, a former monk, ), not experts but honestly trying the best they could, helping me at least as much as I could help them. Their intelligence level was very high. On the technical side, on the other hand, the personnel was of a very poor quality. There was only one qualified architect, the rest were "worker kaders" ridden with dilettantism and greed. There was indescribable confusion, both because the personnel was such as it was, and because the regulations were what they were. To save the firm, I engaged in "plan fraud" on a considerable scale, not by overstating our output, but by overstating planned cost and then "saving" some of it. Eventually, I got the firm out of dread by this means.

- (3) (Chief accountant, building firm.)
- (a) Drawing up the accounts and the balance sheet, and generally balancing the whole firm on the head of a pin was intellectually satisfying.
- (b) It was a risky job, one was playing with fire a little,

- one was dancing just inside the law, but only just.
- (c) My former, purely administrative job was less risky.
- (d) My working conditions were not bad, I had a large measure of independence in timing my work. The working conditions of most of our employees were tolerable. As to our technical standards, they were of a semi-craft, semi-mechanical character, we were not elaborately mechanised but smaller building machines were available. I think our standards were about the same as Western European standards in the 1930ies. As to hygienic conditions, there was a dressing room and a shower room for the workers, they got protective food and protective clothing. We had three accidents in two years, none of them fatal. The quality of our product was probably better than the average in Hungary. The reason for this is that we paid "grey rates", 1,400 frts a month to <sup>a brick</sup> ~~every~~ layer. (The daily norm of a bricklayer was about 1,100 bricks.) The buildings we put up were about the same quality as those built in Austria today, that is probably poorer than pre-war Hungarian standards.
- (e) In principle, 8 1/2, in practice an average of 10, according to pressure of work.
- (g) 6 days.
- (h) I was on a flat salary + bonus, I did overtime when the work required it but was not paid extra for it.



- (j) I had 4 weeks paid vacation.
- (l) Not in my department. I did not care when they worked so long as they did their job.
- (o) The firm paid my tram season ticket, and did the repairs to my flat at cost.
- (4)
- (a) See question (2)(e).
- (b) Very well in my department. There was friendly and loyal give-and-take. There was an atmosphere of solidarity, nobody would dream of engaging in intrigues. One man tried, we quietly boycotted him, and very soon I was able to prove to the council of authorities that he is inefficient, and secured his dismissal.
- (f) It did nothing.
- (i) We had no shop triangle. There were periodic conferences between the party secretary, the union secretary, the director, chief engineer and chief accountant, but it was just a talking shop. It did nothing.
- (1) The party secretary, who claimed to have been a building worker but we disbelieved this, tried to interfere sometimes in a timid way, he did not dare to do so to any great extent because my own field (Accounts, finance, plan fulfilment) was too mysterious. The good kaders were, in principle, those who were both reliable politically and competent in their job. In practice, the two had to

be balanced against each other, more of the one making <sup>for</sup> up less of the other. ("Although comrade X is not so highly developed politically, he is a very good carpenter" - or vice versa.)

- (p) In our firm, there was just a personnel department. In the Ministry of Finance, there were several secret departments, e.g. the foreign currency allocation department dealing with war material. ~~Interbank~~ In the National Bank, the branch carrying the army accounts as well as the branch carrying the police and AVO account were treated as highly secret.

- (5) Till September 1956 there was very limited scope for voluntary labour mobility. If a man gave notice, ~~if~~ his firm had 8 days to accept or reject the notice. If the notice was rejected and the man left just the same, the fact was entered in his work pass, and henceforward he was in practice confined to the lowliest unskilled jobs. It was much more advisable to try and wangle a transfer, or induce the firm to dismiss oneself if and when the next job was already arranged.

- (b) Economic research work. This happens to be my main intellectual interest.

- (d) Of course. One could not in Hungary afford the luxury of apathy. People had families and needed to earn more money.

- (e) I would accumulate books and read them at leisure, and I would fill in breaks by travel. Last of all, I would listen to classical music.
- (g) If my child had talents and inclination for the type of work I did, I would not hinder him in taking it up. Otherwise, I do not care so long as he becomes an intellectually fully developed man.
- (6) I always made good money because I knew the ropes better than the average person.
- (a) I started in the National Bank at a 1,000 frts, and ended up with 2,600 frts (+ my wife's 2,000). Between 1948 and 1956, there was an increase in my material standard of life, by, say, 15 - 20 percent.
- (b) To illustrate, I will say that I invested about 50,000 frts in our home in 6 or 7 years. (Good furniture, radio, washing machine.)
- (c) Yes.
- (d) I was well paid in my own job category, but I was limited to that ~~sort~~ sort of job, and could not have got into a higher category. Nevertheless, it would be absurd to say that I was exploited, - what should the workers say? I define exploitation as an excess of work rendered over the wage paid. (Interviewer's remark: This ~~is a~~ <sup>beautifully muddled</sup> definition is worth reflection.)

(7)

(a) (i) 1,000, (ii) 2,100 + about 600 allowances for extras, (iii) with bonus 3,000.

(b) See (6)(d).

(c) Ditto.

(d) My wife. Why should she not?

(9) Although housing conditions were the subject of the most bitter complaints, they were not as bad as is generally claimed. They were not worse than in any rapidly swelling metropolis. The only real difference is that in a Western big city, you have subletting, whereas in Budapest you had the co-tenancy system. This involved no ~~an~~ relation of inferiority or superiority. Nor ~~they~~ did <sup>it</sup> however, afford a chance of picking and choosing the person or family with whom one is prepared to share.

(a) Since 1949/50, queueing practically ceased in Budapest. As to my own family we did not care if we <sup>had</sup> no lemons one day, - we would not queue for it.

(b) It was never very bad.

(c) I never had to buy "black". We both ate our midday meal in a restaurant. The restaurants were cheaper and food was better than in Vienna.

(10) In 1945, in spite of the inflation, a relatively healthy

development was started off, especially since the peasantry got the land and works councils (Üzemi bizottság) were given a part in industrial management. By mid-1946, after the currency stabilisation, we were safely launched on an upward course. (Although in the currency stabilisation an unrealistically high wage and low price structure was chosen for political reasons, which was untenable.) Then, with the hurried and sweeping nationalisations, dilettantism pervaded the economy, whilst accumulation of capital was hindered by the low consumer goods price level. Soon afterwards, the Soviet Union switched its political emphasis from Hungary to the East German Republic, and Hungarian standards of living were allowed to fall, with Soviet exploitation of Hungary being intensified. On top of this, the armaments madness started and the current accumulation of capital was sunk into unproductive projects. Meanwhile, the Soviet view prevailed that the standard of living in the people's democracies was not to be higher than in the Mother Country itself. In 1950, the logical consequences of this were drawn: The general revision of the wage and price structure involved a 17 percent rise of the average wage level, a 30 percent rise of the average consumer price level, the imposition of a peace loan averaging about 5 percent of gross incomes, a bachelor tax, and the notorious norm revision.

Balancing these things against each other, we might say that the standard of living was cut from 100 to 75. Since then it may have increased a little, but hardly perceptibly.

- (c) The Bethlen consolidation program did pull the country out of bankruptcy after the war. Then, however, we crashed into the world economic depression. The land reform problem was left unsolved, and there was wide disparity between the well-being of classes. The large banks and the large industrial firms left too little scope for small business and there were unfair practices against them. There was no middle stratum in the Hungarian economy. Another shortcoming was that there was no equal pay for women and there was an over-production of professional people. With 1938, an upswing began, but it was an inflationary one, the inflation was concealed by the drawing of hitherto unemployed people into the economic main stream.

My impression is that we were just as much a colony of Germany between 1941 and 1943 as we were a Soviet colony since 1945.

- (d) On balance, 1946 - 1948 was an improvement. Afterwards we were in a totally abnormal situation which cannot be compared to anything that went before.

- (f) After the 1953 rationalisation wave, a pool of unemployed was created. This pool had to be drained off

somehow. On the other hand the state sector was obviously incapable of quickly satisfying the full range of daily needs of the population. The Party at the time believed that there was much hidden capital in the country which was not working in any manner. Therefore they decided to open a valve and allow the MASZEK sector to broaden for a while. This was always understood to be a temporary matter, to be reversed before long. The hidden capital did come forward, small workshops etc., basement factories and such like, started working, they provided themselves with raw material through their own channels, they produced lighters, fountain pens, knit wear etc. The regime thought about strangling all this in 1955, but changed its mind because there was visible need for a MASZEK sector and its absence would have meant so much more daily irritation and trouble.

- (g) My general impression is that there were signs of inflationary pressure on the standard of living, but only slight ones. Incomes at least kept pace with prices.
- (11) As a Marxist, holding as I <sup>do that</sup> / existence determines consciousness, I believe that material standards were the prime cause of the general discontent.
- (b) Soviet dependence, lack of freedom of movement (isolation), AVO, and personal insecurity.
- (c) A special group, the peasantry, had a special group of

complaints: Compulsory deliveries and the complete in-  
security of ~~the~~ tenure.



- (1)
  - (a) 1926 - 1930 elementary school, 1931 - 1939 gymnasium, 1941/42 faculty of law, 1946 - 1948 faculty of law, 1950 - 1955 university of economics.
  - (b) State school.
  - (c) Until 1948, there was no substantial change compared to prewar. Since that time, the Marxist curriculum was introduced. Those who really wanted to would get access to so-called prohibited material also (at private libraries). Until 1952, scholastic standards were very low compared to prewar, but after that time they were sharply raised.
  - (e) I wanted to be a research worker in economics.
  
- (2)
  - (b) I was hoping for a scientific career.
  - (d) Distinction standard.
  - (e) As I was regarded a good and competent expert, I was given opportunity for learning, but not for promotion.
  
- (3)
  - (a) I liked political economy, monetary theory, accounting

and statistics, philosophy, and mathematics.

(b) In the first two years, yes, afterwards it was abolished on the evening classes section of the university.

(c) As to "ideological" subjects, some people just swotted them up because they had to, others sincerely absorbed them. These latter were in a small minority. Generally speaking, students regard it as silly to have to study refutations of theses without those original theses having been made available to them. Many objected to the "ideological one-party system", the shackling of the freedom of thought and discussion.

(d) It was compulsory only on the morning classes section.

(e) Yes: "The sportsman strengthens the Peace Camp", etc.

(4) The object was to win over the youth, to re-educate it, and to present the capitalist system as hateful. Although it was stressed that the Communist system is only against capitalism and its rulers, in effect education was directed towards making people despise the peoples of the capitalist countries.

(a) See question (4).

(b) The Revolution answered this question.

(c) Ditto.

(e) The children were upset by the constant harping on class differences and by the menacing tone adopted in the compulsory discussion of current political trials.

- (g) Children became more independent and self-reliant, and their bearing is more soldierly.
- (h) See (g).
- (i) Generally speaking, it has various effects, but seldom the desired ones. In so far as it is effective, its influence is confined to the 6 - 16 age group.
- (5) My father ran a credit information bureau.
- (a) He took employment in 1945 and kept it till 1948.
- (c) He was a chartered accountant.
- (d) Yes until 1948.
- (e) Yes.
- (f) Yes.
- (g) My father, mother, and myself.
- (h) My father died, my mother is a pensioner and is supported by me.
- (i) No.
- (j) Father, mother, children, brothers and sisters, husband or wife, grandchildren.
- (k) It prevented me from getting promotion.
- (6) Yes.
- (a) My wife was branch manager of a store.
- (b) Since 1947.
- (c) One.
- (d) 4 years old.

- (7) My son is too young for this question to be applicable.
- (8) We discussed every current political question very fully, criticizing the wrongs but giving credit where credit was due.
- (b) No!
- (9) Not applicable, child too young.
- (10) See question (9).
- (11) I had no brothers or sisters.
- (12) My mother, who is 73, complained a great deal ~~that~~ and disagreed bitterly with nearly everything the regime stood for. Our discussions were confined to my trying to pacify her and tone her down lest she ~~would~~ should get into trouble by her outspokenness.
- (13) The education I received from my parents can be summed up in four maxims: 1. You are worth so many men as the number of languages you speak, 2. You are worth as much as you know, 3. A man is known by the friends he keeps, 4. Stand by the working class and peasantry, they are the pillars of society. I agreed with these maxims and tried to live up to them.

- (14) My family, or rather my marriage, is a match between two cultured, independent minded, intelligent people with an identical weltanschauung.
- (a) We were close together in every sorrow and joy.
  - (b) I don't think it was typical.
  - (c) Reading, walks, the company of friends, theater.
  - (d) As above.
  - (e) Four or five hours a day of our waking life.
  - (f) I should have liked, and could not, study the American economy at first hand, and their methods of management and industrial organization.
  - (g) Yes, as chief accountant I could not be made to waste my time with meetings, seminars.
- (15) Family ties have loosened, "kader policy" has intruded into the family, too.
- (a) This varies from family to family. In 50 percent of the cases, they can fully trust each other.
  - (b) Because of the insecurity of maintenance, and the necessity for each member to contribute to the family budget, they are more dependent on each other.
  - (c) Many are, because school education is turning children against "politically slowly developing" parents.
  - (d) It is more true in the countryside, because the child, taught to identify collective agriculture with progressiveness, will regard his peasant father as stick in the mud

and destructive.

- (16) Co-education made boys and girls more veturesome, their sexual life started earlier.
- (a) I think they marry earlier nowadays, although it was pointed out that the divorce rate is highest among couples who married early.
- (b) Yes, courtship is much shorter, often only three, four weeks.
- (e) Yes, mainly among ill-paid working women.
- (f) The present regime paid far more lip service to sexual discipline, but the depraved morals of the leaders was universally known.
- (g) Birth control is one of the basic freedoms.
- (h) Yes, they are no longer second-rate members of society.
- (i) In principle they obtained equality of rights. In practice, this meant that after a day's work they were free to do the house work and look after the children. They had to carry a double burden.
- (17) Morals have certainly deteriorated.
- (d) This is typical Kadar terminology, only the present regime knows the criteria of this term. Let us say, a hooligan is any person whom the regime wishes to declare to be one.

- (18) I met him in the course of work, he was a bank official. We met in 1948.
- (b) He was 17 years older than I, otherwise we fitted well together.
- (c) We mainly talked politics.
- (d) See subquestion (c).
- (e) No.
- (f) Yes, but for fear of endangering him, I am not now corresponding with him. We maintain contact by indirect messages.
- (g) That he should be a friend in need or in trouble too.
- (h) It was less easy than prewar, because of the atmosphere of distrust.
- (i) They were all open minded, with <sup>a</sup> strong critical sense, university graduates and patriots.
- (j) It meant support, help in finding a job, advice and confidential information.
- (k) If he had been a real friend, it would not have affected it.
- (l) There was one Communist, and several Communist Party members, among my friends. The majority, however, were noneParty people.
- (19) Both my wife and I are Roman Catholics, but we are not religious, we are historical materialists. We believe, however, that religion is a private matter and ought not

to be persecuted.

- (b) See question (19).
- (20) Communism preached freedom of religion and practised its suppression. Religious people were suspect.
- (a) Yes, any religion was regarded as basically reactionary. The "accord" with one or other denomination only meant that they wanted to lull the opposition.
- (b) It follows from the ideology that they wanted to stamp it out (see Lenin on the Social-Democrats and religion).
- (c) Some of them were after income and position, but many wanted to save what can still be saved, they wanted to hold off the attacks against the churches.
- (def) The regime persecuted all manifestations of religion with varying intensity, it spied on those attending the services or taking the sacraments, it identified the faithful with "clerical reaction".
- (g) Many did. To do otherwise may have meant the loss of the job and almost certainly meant the loss of any chance of promotion.
- (h) No.
- (i) The older they were the more frequently they went to church. They sought a refuge there. The church was everything the regime was not.
- (k) The spreading of scientific materialism reduced religious feeling among the youth.



- (1) The church was the underdog , thus it was listened to with greater sympathy. Its voice was subdued, its words apparently innocent, but clearly comprehensible.
- (21) He should aim to be an engineer.
- (a) Because an engineer can make a living anywhere in the world.
- (b) That he should be excellent in his profession.
- (c) Worker and peasant boys in this profession as in any other.
- (22) The best off are the chameleons (turn-coats) because they are always ready to adopt the "correct" attitude. Next come the real Communists, then the "progressive intellegentsia", then the experts, - worst off are the sincere critics even if they are Party members.
- (b) Since I regard the group of experts and technicians as the most valuable and useful, I should have liked to belong to that group.
- (c) They had unlimited opportunities, and nor was their political attitude ever held against them. They were immune from these troubles.
- (23)
- (a) The working class, the peasantry, and the middle class.
- (b) Yes. The prewar class structure was much more diversified.

- (d) No longer. However, I would add the proviso that there is a high barrier between the ordinary people and the Party aristocracy.
- (e) Abstracting from the new privileged class of the Party aristocracy, there is much greater equality than there used to be.
- (f) On balance, good.
- (g) Contact between people is much more informal. On the other hand, the tone is often nervous and distrustful.
- (25)
- (a) Initially, they strongly supported it. This is understandable, because there was anti-Semitism in Hungary before, and the new regime held out the promise of protection against that. Later, they turned against the regime because it hit them economically.
- (b) I disapprove of this question, especially since there is hardly one Jew in the present Party and government leadership. A dictatorship is not set up by a race or a religion, but by depraved individuals. During the Revolution, Jews and Christians fought together and now the arrow crossists among the emigres want again to attribute the dictatorship to a race or religion. I think this whole question should be deleted!
- (c) Yes. Their attitude was the same as of all other decent people.

- (d) As all decent people did.
- (e) The traditional anti-Semitism has not ceased to exist.
- (f) Democracy could not weed it out either.
- (g) It maintained much the same intensity, and the reason why there was no pogrom or wide-spread anti-Semitic manifestations during the Revolution was that it was led by democrats.
- (h) It will take a long time before anti-Semitism disappears. However, in view of the large number of Jews who left in October - December 1956, the Jewish element will be less prevalent and hence anti-Semitism will have less to bite on.

- (1) Very interested. As an economist, I believe a country's economic structure determines its politics, and hence my interest.
- (b) Since 1939, it had always been intense.
- (c) I have. Between 1939 and 1948, in the social-democrat movement. Between 1939 and 1944, I was working for the collapse of Fascism, and between 1945 and 1948, I tried help realise the hoped-for democratic transformation. After 1948, I engaged in no political activity worth speaking of.
- (2) As mentioned above, I was an opponent of Fascism and I certainly welcomed the elevation of the working class, the peasantry and all other oppressed elements.
- (a) Yes the Social-Democrat Party, - out of conviction.
- (b) Yes the Social-Democrat Party.
- (c) Not at all.
- (d) See subquestion (f).
- (e) I used to read a great deal and I was in the habit of analysing the events. I think there can be no socialism without democracy and absence of the one excludes the other. I felt Bela Kun was a Communist, not a Trotskyist. I knew that there is dictatorship in the Soviet Union, that people are innocently executed, but I also knew that Communists can be well used in the fight against Fascism.

- (f) My attitude is best described by (iii) however, I cannot really say that I became disappointed as I never really placed any sincere faith or confidence in them.
- (h) The reason is the efficacy of dictatorship in an atmosphere of universal mutual distrust.
- (1) In addition to what is generally known about the kader files I would add that any entry on the kader sheet affected not only the job of the particular person, but the jobs of members of his family as well.
- (3)
- (a) (i), (ii), (iv), (vi), (vii), and (ix) to (xv).
- (b-e) It is very hard to differentiate as between classes. Just about everybody was hit by these things.
- (g) Yes. One became quite outspoken about these things in the last couple of years.
- (4) The Party was the repository of power. Government organs, the various executive arms of the state, did not possess power except in so far as it was conferred upon them by the Party.
- (f) State Capitalism is bound to set up a larger and more complicated control organization than private capitalism.
- (h) Mainly worker and peasant kaders.
- (i) Ditto.

- (6)
- (a) In theory, no one had to be a member. On the other hand, if a particular individual was deemed to be "needed" by the Party, he was coaxed into joining by promises, implied threats, and by the boredom of preparatory "agitation".
- (b) Many worker and peasant kaders wanted to.
- (c) A member had ~~tried~~ the right to bully non-Party people, while his duty was to guard the unity and purity of the Party.
- (d) I can think of 20 or 25 people I knew who joined on grounds set out in subquestions (a) and (b). They became prouder, more arrogant, and more pretentious.
- (f) Intrigues within the Party made them grow tired of the dictatorship.
- (p) I think so, though I am not sure.
- (r) Moscow.
- (t) Only after 1948 did it wholeheartedly embrace totalitarian dictatorship. ("Vigilance") The reason was the need to suppress and terrorise those who would defend themselves against the economic exploitation of state capitalism. In both 1953 and 1956, there was a temporary deviation from the general line, because at both junctures the bitter cup was brim full and attention had to be diverted from it by a policy of reform and leniency.

- (7) I belonged to the union. You could only get decent sick-pay and cut-rate vacations if you were a member. Besides, it was compulsory anyway.
- (8) 10 percent really believed in Communism, - what I mean is that 10 percent felt sure that what ever happens, through Communism they will always be able to stay on top. 90 percent of the Party membership was at best lukewarm.
- (9) Because the youth is the group least able to bear terror and dictatorship.
- (10) It manifests itself in the sowing of mutual distrust, in the clever setting of people against each other and of course in the central position of the AVO.
- (a) Everybody felt it in varying degrees.
- (b) The AVO was the organ of suppression organised to deal with the "internal" enemy. It was invested with practically unlimited power.
- (d) The Party secretary and the ~~personnel department~~ head of the personnel department can, in each firm, be regarded as the nucleus of the informer system.
- (e) They were invited to after a period of observation.
- (j) It was a relation between superiors and inferiors.
- (k) ~~Personnel identified the Party with Rakosi~~ If you identify the Party with Rakosi, then the Party had more authority,

- if you take the Party in the ordinary sense then the AVO had far more authority. It ~~disbanded~~<sup>posed</sup> of Party functionaries at its own discretion.

- (11) Many of my friends were arrested at one time or another. I could not choose the case which impressed me most, in each case I was equally afraid that I will be arrested, too.
- (c) Yes, one friend of ours, who was 7 months with child, was made to lick a block of salt, she was dragged along on the floor, she was beaten and her ribs broken.
- (d) Anyone who had some enemy who had connections to the AVO.
- (g) I have only second-hand knowledge.
- (13) There is no recipe for safety. I could not even advise him to keep mum because it might well be that he would get into trouble as one who does not openly support the regime and is presumably plotting against it in silence.
- (a) No.
- (b) It helps, it postpones the day of reckoning.
- (c) They both help and hinder. Often if one person is arrested, all his personal connections are arrested, too, and one man's "crime" reinforces those of the others.



- (14) Until 1952, if a man criticised he was declared an enemy and could expect the most severe punishment. After 1953, one was not punished, one <sup>just</sup> lost one's job. 1956 was a free for all, - although in July the regime woke up to what it was doing, (see the Party resolution), but then it was too late, the process of freeing emotions and tongues had gone too far.
- (15) The main direction was laid down by Moscow, the execution was organised in Hungary.
- (e) In areas having to do with defense, Soviet influence was absolute.
- (16) I have already talked about the all pervading mutual mistrust. Frankness was always risky. The only safe frankness was "frank" praise of the regime.
- (e) There was a major change in 1956. The disastrous result of allowing "freedom of criticism" is now a matter of world history.
- (17,18,19) I have already covered these questions in my previous answers.

- (1) From press, radio, and conversations.
- (a) There is no order of importance among these, they were all links in a chain.
- (2) I read Szabad Nép quite regularly.
- (g) Yes, I read the Neue Zürcher Zeitung, the Financial Times, and the Economist, not every issue, but quite often.
- (3) Yes, I saw each worth while picture. Say once a week.
- (e) Yes, two or three times a month.
- (4) Of course, but I could not name a figure.
- (e) Anatole France, Cronin, Upton Sinclair, Jokai, etc.
- (f) Yes.
- (5)
- (b) A "Top Super".
- (e) To music, say 2 hours in the morning and 5 or 6 hours in the evening while I was reading.
- (f) At home.
- (6) Yes.
- (a) The German and Hungarian broadcasts from Vienna, Radio Free Europe, London, Belgrade. I wanted to be informed.
- (d) These broadcasts were certainly interesting, but in many

cases they seemed divorced from real Hungarian life, I believe because they were conducted by old emigres.

(e) Yes, this was a frequent occurrence, punishment most often took the form of internment.

(7,8,9) (Respondent considered these questions trivial or redundant, and as he was hard pressed for time, it was agreed to pass on to questions which he regarded as more significant.)

(10)

(a) It hastened the end of the war.

(b) The Soviet Union.

(c) An untrue charge (Merai himself admitted this.)

(d) It was necessary. But it scared the Soviet leaders.

(e) "Free Europe" was trying to convert the Hungarian people to freedom. Was that effort necessary?

(f) It was a rightful rising of a people, defeated by Soviet tanks.

(g) It was an attempt by the two sides to guaranty each other's peace.

- (1) Above all, dictatorship ought to be abolished. Further phenomena I would abolish are the one-party system (I would not, however, admit political parties which intend to establish a one-party system once in power), the kader sheet system, the political police, the closure of the border.
- (a) The land reform, nationalisation (with free competition between state owned firms, the weakest and least efficient going to the wall, - and with new private enterprise to be permitted). Also, the equality of rights of women.
- (2) See question (1).
- (a) Yes.
- (b) I would ~~accept~~ accept parties aiming at dictatorship.
- (3) I think one should go as far as a Hyde Park sort of system. It would be tricky to manage, though, because we do not have the tradition the English do.
- (c) If people are given freedom of speech, "subversive" utterances lose their teeth, they lose their subversive character. Other people become immune to subversion.
- (d) See subquestion (c).
- (4)
- (b) It is justified if and when a government acts in a way contrary to people's interests. Admittedly, there are

difficulties about defining what is the people's interest. The people themselves are alone competent to say what it is.

- (5) Some degree of planning ought to be retained in the field of basic materials, but the system which tries to fix every index (target) and destroys independence of firms should be abolished. Allocation should not be used as a substitute for competition. Private initiative should be restored. The firm itself should choose what transaction it will make and what orders it will refuse. On the land, intensive agriculture should be fostered, industrial crops should not be forced on unsuitable land. The level of agricultural mechanisation should further be raised. The peasants should be peacefully persuaded that large economic units are more productive than small ones, and that it pays for them to cooperate. For all this, state farms should be used as attractive examples of higher productivity.
- (6) I approve of it as a general principle, and in addition it may have special merits in particular cases. Heavy industry is the best lever through which the state can influence and guide the economy.
- (b) No, if only because it would be impossible to disentangle the claims. The old owners themselves would get into

- serious strife with each other over the complexity of their conflicting claims over parts of old enterprises.
- (c) Why not? Although capital has no claim to rent, normal profit does not involve exploitation. Moreover, in a democracy, it is up to the people to what extent they let themselves be exploited.
- (e) Yes, for instance I approve of <sup>the</sup> state monopoly of mineral resources and of heavy industrial enterprises.
- (f) Monopolies in commerce, even if they are state monopolies.
- (8) Approve basically, - see question (5).
- (9) Of course, - family, religion, freedom of education and travel, the right to enterprise.
- (10) Loyalty to the state, military service, - but if the citizen feels the duty imposed upon him is excessive, let him speak up.
- (a) Taxation, - the idea of progressive taxation is fundamentally right, but of course the precise level must depend on the general economic situation.
- (e) It must secure the citizen's rights, including the right to work (or unemployment pay), it should organise compulsory social insurance, it should introduce a family wage so as to compensate for the extra cost of rearing children, it should conduct a foreign policy minimising

the cost of defense.

- (11) Medical care has both improved and deteriorated. There are more doctors per head of population and the control of epidemics is better. So is preventive medicine and the availability of doctors at night has improved. On the other hand, the supply of certain medicines is much poorer.
- (12) He has much more opportunity.
- (b) Yes, the relative price of "cultural goods" is now much lower, thus their consumption is higher. Note that the best seat in the Budapest Opera was roughly equal to one dollar.
- (c) In the countryside there is less opportunity, and the low income groups can hardly enjoy any of this because their pay leaves no margin over subsistence.
- (13) Some strata eat better and some worse. Those eating in works' canteens are probably better nourished, they are not skimping off food as they used ~~prewar~~ to prewar. ~~But~~ Where there are no works' canteens, (e.g. in building industry) they eat probably worse, as the highly concentrated foods (e.g. bacon) are now relatively dearer than prewar. On balance, however, the general average nutrition is better than prewar but probably only slight-

ly so. As a matter of interest, I remember official statistics according to which the monthly cost of food for an average adult is 276 frts for the food consumed at home, + 120 frts payable to the works canteen for the midday meal, while the firm's contribution to the canteen costs is about 45 frts, making altogether 441 frts per month per adult.

- (a) 1946 was better than 1956, - there was artificial cheapness.
  - (b) 1950 was worse than 1956.
- (14) The clothing today is relatively dearer than in the pre-war period. In addition, the quality today is incomparably poorer.
- (a) The cheapest sort of shoe which cost 80 frts in 1946 costs 260 frts now. With suits, the position is the same. A 400 frts suit in 1946 now costs about 900.
  - (b) In 1946, everybody was undressed either by the war, by the Russians, or by the inflation. Then the wardrobes were somewhat rebuilt, - by 1950, there were perhaps fewer poorly dressed people than prewar. Since 1950, there was a downward dip, but by 1956, it became better again.
- (15) In sheer quantity, yes.
- (a) Industrial investment, + two or three shift working and



speed ups.

- (b) In heavy industry. There was an absolute fall in building materials, and perhaps in some branches of light industry.
- (16) When I speak of nationalisation, I really mean close control and supervision by the employees themselves. I mean some ideal board of directors.
- (a) Protection and promotion of employees interests, no interference with the management of the firm.
- (d) State-appointed managers, controlled by worker board of directors.
- (17) It depends on the circumstances.
- (a) Let them disband or continue as they please.
- (f) No, not after the land reform.
- (h) Yes, up to a limit of, say, 80 or 100 acres. But this should be done so as to consolidate fragmented holdings in the process.
- (i) The status quo established by the 1945 land reform should be re-established. Generally, this means a 100 acre limit. But land ought only to be owned by those who actually farm it.
- (l) Yes.
- (m) I would maintain them in some other form, - I would allow everybody else to own a tractor too.

- (18) Separation of church and state is the correct principle, enabling both to develop without mutual entanglements.
- (a) Yes.
- (f) State school. But I should grant other people full liberty to send their children to church schools if they want to.
- (g) I would not restore either church land or other specific items of church wealth. I would compensate the churches for their expropriated property, but in a circumscribed way, sufficient to keep church institutions and schools going, but not sufficient to make the church a financial power.
- (19) My answer is: The BTK. (The prewar ordinary criminal code of Hungary.) They should be charged on their merits according to the law of the country.
- (b) BTK.
- (d) BTK.
- (f) Even in the case of the AVH, I would merely apply the BTK. Do not forget that there was such a thing as the drafted AVH.
- (g) As to the Communist leaders, let us face it that the Revolution was partly started and carried by them. Let the Communist Party be one of the permitted parties. Imre Nagy and Losonczy earned the people's respect. To bring them before the courts for their former association

with criminal policies is to spit the October Revolution in the face.

- (20) Well, it is true that Hungary played the unenviable role of keeping the upper and nether millstones of West and East apart. But this is all a cliché and a platitude. In culture and science, there are such names as Bolzai, Jedlik, the people in medicine, - but there is no need to enumerate, the world's scientists and artists ~~are~~ <sup>know</sup> that in their own fields.
- (21) Yes, of course, how could it be otherwise. All nations have a distinct character, except that the Americans and the Russians are a bit alike.
- (b) Yes, we are much closer to the West, and had greater opportunity for thought and cultural development. Hungarians are more strongly attached to liberty, they have a harder backbone, and they are poorer diplomats.
- (e) The peasants are more passive and the workers more alert and educated.
- (f) There were more complex differences than these before 1945. There was the feudal bourgeoisie and the industrial bourgeoisie. The latter was more progressive, in its own self-interest, it behaved in a more advanced way.
- (22) I can only speak of the "least bad". B. Dalnoki Miklos

and Tildy were the two least bad governments.

- (e1) It endeavoured to engineer a bourgeois democratic transition. As such, it was progressive. Karolyi's great fault was his assumption that people will behave with sweet reasonableness.
- (e2) Karolyi followed by Kun was a historically inevitable sequence. After a postwar collapse, those elements float to the surface which are the most extreme on one or other side. Of course, there were problems whose solution was overdue and Bela Kun made a number of constructive steps towards their solution. The dictatorship which was implied in these steps, however bloody, cannot be wholly condemned, - it was probably a necessary concomitant of a transitory revolutionary period. I feel that despite the merger of the Social-Democrat and Communist parties at the time, <sup>the</sup> former (i.e. Social-Democratic) elements would have been strong enough to ensure the temporary character of the dictatorship.
- (f) There was much.
- (h) No. But Hungarian policy in World War II was determined in the decades before World War II. Neither Bethlen nor Horthy was strong enough in terms of popular support to give practical effect to their personal anti-German leanings. The feudal bourgeoisie, having territorial claims, determined the policy of alliance with Hitler.
- (i) Better because more democratic.

(23)

(b)

I am afraid this is so. I am not an irredentist, but I must say that the Trianon Treaty was insane and had incalculable adverse effects. There is more to it than mere Hungarian ethnic claims. It may be true that the Slovaks are ethnically more close to the Czechs than to us, and the same is a fortiori true of the Transylvanian Rumanians, but one should not forget the symbiosis of the past 1000 years.

(d)

There are no "natural" conflicts. There is, however, a technique of divide et impera.

(24)

A United Europe is the one solution which obviously suggests itself. There is great economic complementarity between European countries, and nor can they stand on their feet between the two colossi of Russia and the US. Hungary's solution is to join her fellow-European nations.

(d)

This should be left to the Russian people to decide. But it stands to reason that a United Europe would be most useful as a balancing factor between Russia and the United States, a function which it could not accomplish if Russia were part of it.

(25)

One man is much the same as another. To discriminate between them on grounds of nationality is to sow trouble.

- (c) Many have no idea what it means.
- (26) Marxist doctrine, with very substantial revisions and reservations, is acceptable to me. I do not accept the theory and the recommendation of rapid revolution. Socialism will inevitably be realised, but not by violence.
- (b) That many of its interpreters read things into it which it does not really involve. For instance, the critique of the Gotha program (against Lasalle) is misinterpreted into ascertaining that one socialist state should accumulate (means of production) in order to be able better to export the Revolution.
- (e) No, Marxism is not the Talmud. One cannot bargain over it. Tito is neither a Communist nor Social-Democrat, he is a smart operator. Until it was good business for him to be a Stalinist, he was one. When Stalin frustrated Tito's great-power ambitions, he ceased to be one. In his attitude towards the Hungarian Revolution, he was trying to have it both ways in a nauseating manner.
- (h) Yes.
- (i) 1945-48.
- (27) National Communism is tantamount to squaring the circle. But taking a Communist regime as given, national Communism is ~~really~~ clearly an attempt to switch to demo-

cracy in a gradual way with the least possible amount of disturbance and bloodshed. It is an attempt to do so with the least offense to national susceptibility.

- (28) A struggle about the ways of realising democracy would have begun. National unity would have broken up after the achievement of the most vital aims (free elections, Russian blessing to a non-Communist system). I believe a coalition would have been established, and there would have been a fight in connection with the precise sharing of the coalition positions.
- (b) Perhaps surprisingly, I would say yes. He became a symbol. People did just not see the Communist in him.
- (29)
- (a) Good.
  - (b) Bad.
  - (c) Good.
  - (d) If real and not sham , good.
  - (e) Bad.
  - (g) Good.
  - (h) A catchword.
  - (i) Bad, - spineless.
  - (j) Bad.
  - (k) Both good.
  - (m) Honest.

- (n) As a man, far too rigid. As a Prince of the Church, an unfortunate choice.
- (30) The Smallholders Party.
- (a) Bela Kovacs, Kethly, Imre Nagy.
- (31) Workers less, the collective farmers probably more, smallholders less, kulaks less, some government employees more, some less, artists, actors, and "sportsmen" more, tradesmen and artisans less.
- (32)
- (a) I disapprove of changing relative economic positions by violence.
- (33)
- (a-f) There is no conflict of interest among any of these groups, that is so as they all need democracy to flourish.
- (g) There was conflict here.
- (i) Even more so.
- (j) Ditto.
- (34) Even the least equitable and most formalistic democracy is less dangerous than a dictatorship. The United States are, after all, a democracy. However, I did regard and still regard America as dangerous in that a great power



must almost by definition be dangerous.

(35) Depending on the sort of war fought. A Russo-American war would be most unlikely to have, as its American war aim, the US subjugation of Hungary. Therefore, at most 10 percent of the population would fight for the regime, not so much because of their sympathies, but rather because of the difficulty of disobeying orders and going over to the other side.

(a) The young people and the bulk of the manual workers. The peasantry is the great problem, - assurance of maintenance of the land reform would be needed to mobilise it against the regime.

(36) No.

(1)

(a)

I think the net of your questions is cast too widely.

(c)

The general tenor of your questions suggests the assumption that Communists are alone responsible for nearly everything that happened. There is no regard paid to the responsibility of the renegades of the bourgeois parties, such as ~~the~~ Dobi, Bogner, and Darvas. Without their help, the 1948 Communist takeover could not have proceeded as it did. Nor is there any treatment of the problem of just how the people's democracy developed into a dictatorship of the proletariat.

(2)

(a)

Yes, subject to developments there.